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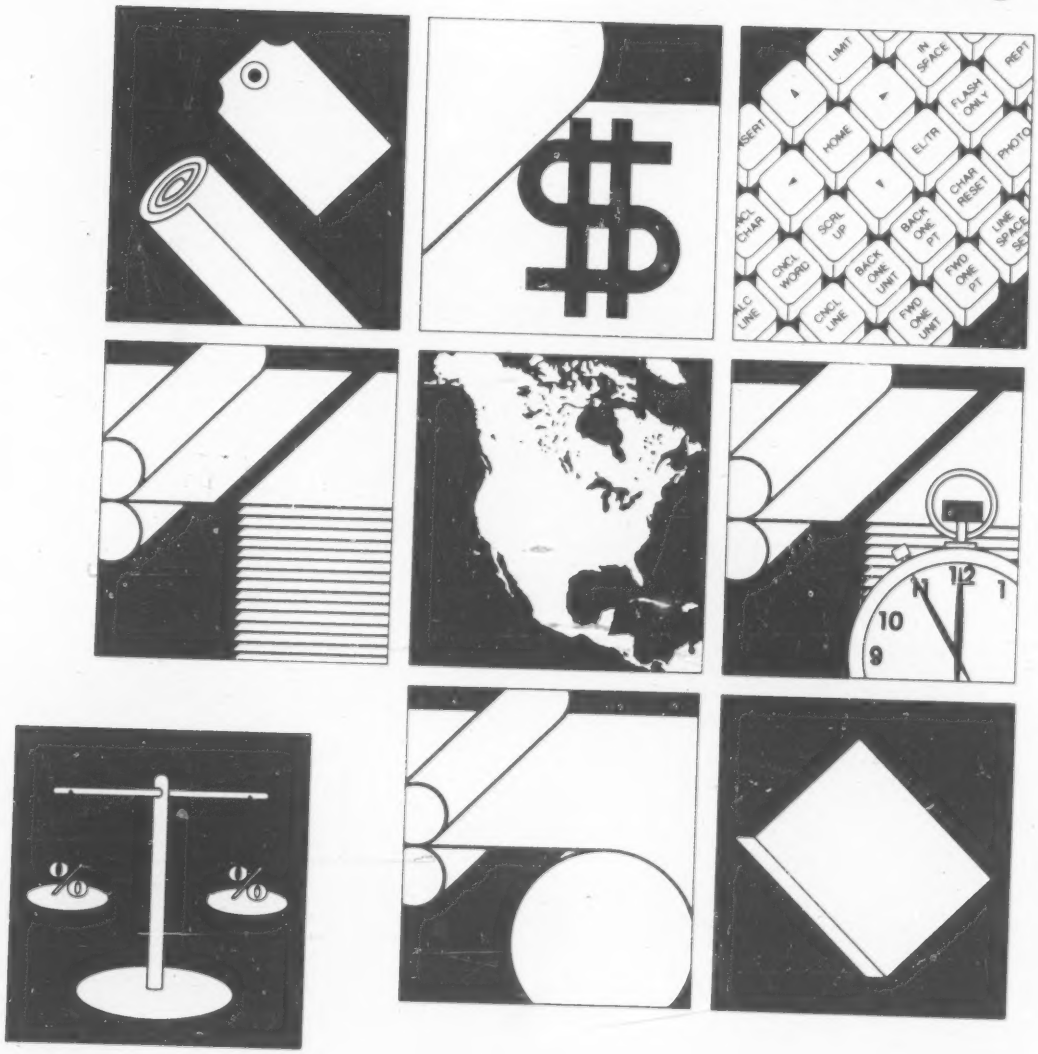
PIA INC

FINANCIAL SERVICES

1985 Financial Ratio Study



Volume VI

Web Offset Printers—Heatset

ABOUT PIA...

Printing Industries of America, Inc., is a federation of national, regional, state, and city associations composed of over 12,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's Affiliated Associations automatically entitles an organization PIA membership.

PIA's Financial Services offers the following products and services:

- PrintFinance: PIA in conjunction with Merrill Lynch brings you an innovative, comprehensive financial package called PrintFinance, available only from PIA Financial Services. PrintFinance is a unique competitively priced financial services package developed especially for the printing industry and allied graphic arts firms.
- The Annual PIA Financial Ratio Study - A Multinational Financial Survey
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- Financial Management/Investment Banking Seminars
- Production Profit Target Program: production guidelines for sheetfed presses, web presses, bindery, and prepress equipment

For further information, contact:

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1730 North Lynn Street
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PIA's Education and Publication Services is active in financial management, offering numerous publications on the subject:

- Best & Worst Markets for Printers in the 1980's (a unique marketing and financial planning aid, available by subscription directly from PIA)
- Cost Accounting for the Job Order Printer
- Graphic Arts Estimating, Volume I
- Money Making Guide to Printing Estimating, revised edition
- Running in the Black: Six Steps to Managing Printing Profitability
- Sales Compensation in the Printing Industry - 1983
- Simplified Cost System
- Tax Planning for Your Graphic Arts Business
- Understanding Value Added
- Value Added Financial Management: A Guide for Printers
- 1981–82 Production Management Compensation Survey
- 1983 Survey of Sales Management: Practices and Compensation

Members may obtain these books through their PIA Affiliated Associations' Graphic Arts Bookstores, or by calling 1-800/PIA-DATA. Available free upon request from PIA is PrintCatalog, a comprehensive listing of all the publications and programs offered by all components of PIA. For further information about how to order or about the contents of publications, contact:

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Volume VI: Web Offset Printers—Heatset

An Annual Financial Survey Conducted By:
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PRINTING INDUSTRIES OF AMERICA, INC.

1730 North Lynn Street, Arlington, VA 22209 (703) 841-4805

Dear Colleague:

1985 is the 62nd year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries in the U.S., Canada, and throughout the world. In addition, it allows individual firms to compare their annual performance with that of many other similar firms, including those which earn well above-average profits. Ratio results are published annually. They are summarized as foilows:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers

For a more complete composite picture of your company's performance relative to the industry as a whole, several books could be used in your analysis, such as one of the overview volumes, e.g., *All Printers by Sales Volume*, and one that addresses your particular business segment or production process, e.g., *Book Manufacturers or Web Offset — Heatset*, respectively. Alternatively, such analysis is facilitated by participating in the Ratio Study each year and ordering an individual company computer printout which compares a participant's ratios to those of companies which are similar in size and sales volume, produce the same products, and use the same manufacturing process.

Please refer your questions on the PIA Ratio Study to your nearest local PIA affiliated association or to me at the address above.

William A. Rose, II
Director, PIA Financial Services

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1985 PIA FINANCIAL RATIOS FOR HEATSET WEB OFFSET PRINTERS. This Ratio Study was developed on the basis of questionnaires volunteered by 64 firms and presents the ratios and statistics of Heatset Web Offset Printers by sales volume, product, and percentage of paper supplied.

Thus users of the report can direct himself to the standards for his sales size — for example, sales from $1.5 to $5 million, sales from $5 to $10 million, etc.; product specialty — for example, Commercial and Advertising, Magazine and Periodical, etc.; and percentage of pape supplied — for example, 0% to 11%, 11% to 21%, etc. Readers can compare the data from their own firm's financial statements with similar data from other firms in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in these studies.

H.R. Margolis Company
Certified Public Accountants
Bala Cynwyd, Pennsylvania

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Congratulations on partaking of the web offset ratio study program. I'm sure that as you review the wealth of information contained in the book that you will find it to be a very rewarding exercise.

In case you are not acquainted with Web Offset Section activities, we have a very active group. WOS produces a variety of reports dealing with heatset web offset printing. Two of the most widely used of these publications are the *Heatset Web Offset Directory*, listing most heatset web offset plants in the United States and Canada, and its companion volume, the *Web Offset Product Catalog*, which describes the primary products printed by the companies listed in the Directory.

Over 1,400 people attend our Annual Web Offset Conference each year, where they hear discussions and exchange information on the technology and problems unique to web offset production. Transcriptions of these sessions are also published by the Section in the form of the *Web Offset Proceedings*, and are available for the use of industry firms.

Our next annual meeting will be held May 13-15, 1986, at the Palmer House Hotel, Chicago, Illinois. Additional information about our meeting and publications is available from the Web Offset Section.

Edward W. Hill, Jr.
Executive Director
Web Offset Section

VALUE ADDED DEFINED

Value added is a technical term for sales of a company's own manufacture. It is calculated as sales less material costs and outside services.

Sales		$100.00
Less: Materials		
Paper	$ 23.00	
Other chargeable materials	5.00	
Outside services	8.00	36.00
Value Added		$ 64.00

Material costs include paper and other chargeable materials such as ink, film, plates etc., but not general supplies or the repair and maintenance of equipment. Outside services are purchases of job-related services - composition, offset preparation, printing, bindery, etc.

Value added financial management is based on a fundamental principle of accounting: Profit is achieved from sales of a company's own manufacture. Time and time again, when printing companies show high sales but low profits, the root of the problem is in the failure to pay attention to the relationship between value added and profit performance.

VALUE ADDED AND PROFITS

Since value added is sales less materials costs, it becomes a critical factor in paying your remaining expenses - expenses such as factory labor, other factory expenses, administrative expenses, selling expenses, and interest.

What is left is profit.

All sales do not contribute equally to fixed costs and profits. There are "good sales" and "better sales." Good sales are sales that require more than an average amount of materials and outside services. As a result, they have less value added with which to cover fixed costs and to produce a profit. They are called "good sales" simply because there are no "bad sales" in the printing industry.

Better sales require fewer materials and more inside sales - sales of your company's own manufacture. This type of sale generously covers overhead and pays more dollars into profits. Printing firms that follow value added financial management procedures do all work inside unless they cannot avoid sending it out.

A VALUE ADDED STATEMENT OF OPERATIONS

In keeping with the value added concept, operating statements are more meaningful when prepared on the basis of inside sales. In this type of presentation management starts its financial analysis with value added instead of the sales column. This eliminates the distortion introduced by material costs. For example, in comparing percentages based on sales of a short-run, sheet-fed company and a web offset firm, we could be faced with a significant difference in ratios because of differences in material costs. Although it would appear that the web offset operation had a lower factory labor cost because a substantial amount of its sales were materials, this might, in fact, not be the case at all. Instead, the factory labor cost could be more or less than its counterpart sheet-fed operation as it relates to the value added produced by this labor.

	COMPANY S SHEET-FED		COMPANY W WEB-FED	
		% OF SALES		% OF SALES
SALES	$1,000,000	100.00%	$1,000,000	100.00%
MATERIALS				
Paper	197,300	19.73	387,900	38.79
Other chargeable materials	42,800	4.28	35,000	3.50
Outside services	87,900	8.79	30,000	3.00
	328,000	32.80	452,900	45.29
		% OF VALUE ADDED		% OF VALUE ADDED
VALUE ADDED	672,000	100.00%	547,100	100.00%
FACTORY PAYROLL	241,800	35.98	177,500	32.44
FACTORY EXPENSES	121,800	18.13	101,300	18.52
	363,600	54.11	278,800	50.96
GROSS PROFIT	308,400	45.89	268,300	49.04
SELLING AND ADMINISTRATIVE EXPENSES	187,500	27.90	141,700	25.90
INCOME BEFORE INTEREST EXPENSE	120,900	17.99	126,600	23.14
Interest expense	18,300	2.72	7,900	1.44
OPERATING INCOME	102,600	15.27	118,700	21.70
Other income	10,200	1.52	16,200	2.96
INCOME BEFORE INCOME TAXES	$ 112,800	16.79%	$ 134,900	24.66%

The point is that every company's product mix is different, and by using statements of operations based on value added, this product mix difference is eliminated. Consequently, value added is a better statement with which to evaluate your operations.

CHAPTER 1 - BY SIZE OF FIRM

REPORT ON OPERATIONS - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%
FACTORY PAYROLL	44.80	43.69	45.58
FACTORY EXPENSES	23.40	21.41	20.29
TOTAL FACTORY COST OF PRODUCT	68.20	65.10	65.87
GROSS PROFIT	31.80	34.90	34.13
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	10.06	8.08	19.23
Selling expenses	8.93	6.96	10.16
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	18.99	15.04	29.39
INCOME BEFORE INTEREST EXPENSE	12.81	19.86	4.74
Interest expense	3.69	1.85	5.01
OPERATING INCOME (LOSS)	9.12	18.01	(0.27)
Other income	1.35	2.76	0.36
INCOME BEFORE INCOME TAXES	10.47	20.77	0.09

* See page 10 for the definition of "Profit Leaders."
** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
X	X	X	X	X	X
X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
43.16	50.89	41.12	38.45	46.63	43.64
23.21	20.42	24.41	21.93	23.25	21.47
66.37	71.31	65.53	60.38	69.88	65.11
33.63	28.69	34.47	39.62	30.12	34.89
11.06	5.76	11.18	9.84	8.85	8.08
9.83	8.86	10.51	7.89	8.00	6.28
20.89	14.62	21.69	17.73	16.85	14.36
12.74	14.07	12.78	21.89	13.27	20.53
4.15	0.01	3.40	2.12	3.59	2.17
8.59	14.06	9.38	19.77	9.68	18.36
1.85	5.87	1.34	1.75	1.26	2.38
10.44	19.93	10.72	21.52	10.94	20.74

CHAPTER 1 - BY SIZE OF FIRM

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	2.60%	2.14%	0.84%
Direct wages	27.75	27.19	29.97
General factory salaries and wages	4.84	5.11	3.10
Packing, shipping and delivery wages	1.69	1.43	6.53
Payroll taxes	3.05	2.86	3.05
Employee benefits	4.87	4.96	2.09
TOTAL FACTORY PAYROLL	44.80	43.69	45.58
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.44	0.47	0.62
Depreciation - other	6.01	5.75	3.65
Taxes - real estate	0.53	0.46	0.43
Taxes - other	0.32	0.33	0.38
Insurance	0.35	0.23	0.57
Building rent	0.79	0.40	1.81
Utilities - heat, light, etc.	3.18	3.17	2.96
Equipment rental	0.85	0.52	0.63
Total Fixed Expenses	12.47	11.33	11.05
Other Expenses			
Factory supplies and expense	4.56	4.27	2.20
Packing, shipping and delivery expense	1.89	1.60	3.82
Repairs and maintenance	3.12	2.97	2.31
Other factory expenses	1.36	1.24	0.91
Total Other Expenses	10.93	10.08	9.24
TOTAL FACTORY EXPENSES	23.40	21.41	20.29
ADMINISTRATIVE EXPENSES			
Salaries - executive	2.21	2.15	4.01
Salaries - office	2.33	1.81	4.77
Payroll taxes	0.30	0.24	0.62
Employee benefits	0.62	0.62	0.91
Bad debts	1.00	0.58	2.22
Office supplies and expenses	0.44	0.35	0.51
Professional fees	0.67	0.54	1.18
Taxes - business	0.13	0.12	0.36
Telephone	0.46	0.28	0.58
Other administrative expenses	1.90	1.39	4.07
TOTAL ADMINISTRATIVE EXPENSES	10.06	8.08	19.23
SELLING EXPENSES			
Salaries - executive	1.10	1.17	1.54
Salaries and commissions - salesmen	3.76	2.30	4.53
Salaries - sales office clerical	1.01	0.82	0.00
Payroll taxes	0.28	0.21	0.46
Employee benefits	0.37	0.29	0.38
Advertising	0.36	0.16	0.60
Travel and entertainment	0.82	0.45	1.30
Other selling expenses	1.23	1.56	1.35
TOTAL SELLING EXPENSES	8.93	6.96	10.16

** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
2.97%	2.24%	2.23%	2.27%	2.73%	2.08%
27.79	32.52	26.47	27.56	28.10	25.95
3.36	3.92	4.29	2.50	5.58	6.11
1.55	2.24	1.59	0.81	1.51	1.43
3.05	3.89	2.38	2.60	3.30	2.71
4.44	6.08	4.16	2.71	5.41	5.36
43.16	50.89	41.12	38.45	46.63	43.64
0.25	0.75	0.55	0.57	0.45	0.38
5.93	5.77	7.26	6.87	5.68	5.42
0.33	0.41	0.50	0.59	0.61	0.44
0.48	0.91	0.29	0.08	0.28	0.28
0.28	0.06	0.50	0.29	0.30	0.24
1.07	0.04	0.57	0.16	0.73	0.55
2.86	3.76	3.03	2.65	3.35	3.20
1.48	0.16	0.91	0.16	0.66	0.69
12.68	11.86	13.61	11.37	12.06	11.20
4.15	3.77	3.78	2.63	5.12	4.86
2.02	0.39	1.86	2.89	1.75	1.49
3.29	3.91	2.92	3.29	3.19	2.67
1.07	0.49	2.24	1.75	1.13	1.25
10.53	8.56	10.80	10.56	11.19	10.27
23.21	20.42	24.41	21.93	23.25	21.47
2.76	1.90	2.10	2.78	2.00	2.01
2.83	1.32	2.61	2.91	1.93	1.60
0.44	0.20	0.29	0.44	0.24	0.19
0.61	0.49	0.45	0.56	0.68	0.66
0.98	0.52	1.51	0.52	0.75	0.62
0.70	0.27	0.46	0.51	0.36	0.32
0.41	0.20	0.91	0.56	0.63	0.61
0.20	0.03	0.19	0.20	0.07	0.12
0.55	0.10	0.60	0.38	0.38	0.29
1.58	0.73	2.06	0.98	1.81	1.66
11.06	5.76	11.18	9.84	8.85	8.08
1.24	0.86	1.52	2.16	0.88	0.95
4.28	2.98	4.68	3.13	3.23	1.92
0.91	1.25	1.32	1.24	0.99	0.61
0.34	0.31	0.30	0.35	0.24	0.14
0.30	0.30	0.40	0.28	0.37	0.29
0.53	0.36	0.37	0.12	0.29	0.13
1.04	0.51	0.74	0.17	0.75	0.52
1.19	2.29	1.18	0.44	1.25	1.72
9.83	8.86	10.51	7.89	8.00	6.28

CHAPTER 1 - BY SIZE OF FIRM

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIALS			
Paper	33.14	30.65	36.99
Other chargeable materials	7.73	7.36	7.28
Outside services	5.07	5.18	6.21
TOTAL MATERIALS	45.94	43.19	50.48
FACTORY PAYROLL	24.16	24.78	22.52
FACTORY EXPENSES	12.66	12.19	10.06
TOTAL FACTORY COST OF PRODUCT	82.76	80.16	83.06
GROSS PROFIT	17.24	19.84	16.94
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	5.40	4.60	9.54
Selling expenses	4.78	3.93	5.06
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	10.18	8.53	14.60
INCOME BEFORE INTEREST EXPENSE	7.06	11.31	2.34
Interest expense	1.97	1.06	2.44
OPERATING INCOME (LOSS)	5.09	10.25	(0.10)
Other income	0.75	1.57	0.19
INCOME BEFORE INCOME TAXES	5.84	11.82	0.09

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	4.82%	4.71%	3.49%
Film	0.69	0.58	2.17
Plates	0.90	1.04	0.87
Other chargeable materials	1.32	1.03	0.75
TOTAL OTHER CHARGEABLE MATERIALS	7.73	7.36	7.28
OUTSIDE SERVICES			
Composition	0.26	0.03	0.07
Offset preparation	1.17	1.01	1.17
Printing	1.25	2.04	0.68
Binding	1.24	1.07	1.86
Other outside services	1.15	1.03	2.43
TOTAL OUTSIDE SERVICES	5.07	5.18	6.21

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
37.01	34.87	33.78	31.76	31.53	29.43
6.39	5.03	6.33	5.75	8.69	8.32
4.81	5.27	6.44	6.64	4.56	4.75
48.21	45.17	46.55	44.15	44.78	42.50
22.61	28.08	21.95	21.49	25.54	25.01
11.85	11.23	13.08	12.32	12.89	12.35
82.67	84.48	81.58	77.96	83.21	79.86
17.33	15.52	18.42	22.04	16.79	20.14
5.70	3.20	5.91	5.34	4.90	4.70
5.16	4.92	5.54	4.26	4.37	3.62
10.86	8.12	11.45	9.60	9.27	8.32
6.47	7.40	6.97	12.44	7.52	11.82
2.14	0.00	1.83	1.16	1.94	1.25
4.33	7.40	5.14	11.28	5.58	10.57
1.09	3.53	0.67	0.84	0.70	1.36
5.42	10.93	5.81	12.12	6.28	11.93
3.34%	2.55%	3.38%	3.06%	5.91%	5.70%
0.89	0.54	0.74	0.69	0.52	0.54
1.02	1.41	1.10	1.11	0.78	0.90
1.14	0.53	1.11	0.89	1.48	1.18
6.39	5.03	6.33	5.75	8.69	8.32
0.02	0.00	0.71	0.13	0.17	0.02
1.00	2.46	2.19	2.23	0.87	0.49
0.87	1.64	0.82	0.90	1.46	2.28
1.42	0.00	1.42	2.25	1.11	1.01
1.50	1.17	1.30	1.13	0.95	0.95
4.81	5.27	6.44	6.64	4.56	4.75

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	1.37%	1.21%	0.40%
Direct wages	14.95	15.44	14.91
General factory salaries and wages	2.62	2.88	1.52
Packing, shipping and delivery wages	0.90	0.80	3.14
Payroll taxes	1.66	1.66	1.51
Employee benefits	2.66	2.79	1.04
TOTAL FACTORY PAYROLL	24.16	24.78	22.52
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.24	0.26	0.32
Depreciation - other	3.24	3.25	1.79
Taxes - real estate	0.29	0.24	0.22
Taxes - other	0.17	0.20	0.19
Insurance	0.19	0.13	0.29
Building rent	0.43	0.25	0.87
Utilities - heat, light, etc.	1.73	1.80	1.46
Equipment rental	0.46	0.30	0.30
Total Fixed Expenses	6.75	6.43	5.44
Other Expenses			
Factory supplies and expense	2.51	2.46	1.13
Packing, shipping and delivery expense	1.01	0.96	1.85
Repairs and maintenance	1.66	1.62	1.17
Other factory expenses	0.73	0.72	0.47
Total Other Expenses	5.91	5.76	4.62
TOTAL FACTORY EXPENSES	12.66	12.19	10.06
ADMINISTRATIVE EXPENSES			
Salaries - executive	1.20	1.22	2.02
Salaries - office	1.23	1.02	2.38
Payroll taxes	0.16	0.14	0.31
Employee benefits	0.35	0.37	0.46
Bad debts	0.52	0.32	1.06
Office supplies and expenses	0.24	0.20	0.25
Professional fees	0.35	0.30	0.58
Taxes - business	0.07	0.08	0.17
Telephone	0.25	0.16	0.28
Other administrative expenses	1.03	0.79	2.03
TOTAL ADMINISTRATIVE EXPENSES	5.40	4.60	9.54
SELLING EXPENSES			
Salaries - executive	0.59	0.68	0.77
Salaries and commissions - salesmen	1.99	1.23	2.26
Salaries - sales office clerical	0.54	0.47	0.00
Payroll taxes	0.15	0.12	0.23
Employee benefits	0.20	0.17	0.19
Advertising	0.19	0.09	0.30
Travel and entertainment	0.43	0.26	0.64
Other selling expenses	0.69	0.91	0.67
TOTAL SELLING EXPENSES	4.78	3.93	5.06

** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
1.49%	1.27%	1.19%	1.27%	1.46%	1.17%
14.55	17.98	14.06	15.25	15.38	14.96
1.80	2.15	2.32	1.41	3.04	3.46
0.82	1.22	0.83	0.45	0.84	0.81
1.57	2.17	1.30	1.44	1.83	1.61
2.38	3.29	2.25	1.67	2.99	3.00
22.61	28.08	21.95	21.49	25.54	25.01
0.14	0.41	0.29	0.31	0.25	0.22
3.06	3.16	3.84	3.71	3.16	3.13
0.19	0.23	0.25	0.30	0.34	0.23
0.25	0.51	0.17	0.05	0.15	0.17
0.14	0.04	0.27	0.16	0.17	0.14
0.51	0.02	0.30	0.10	0.42	0.34
1.47	2.08	1.62	1.48	1.86	1.84
0.75	0.09	0.50	0.09	0.36	0.40
6.51	6.54	7.24	6.20	6.71	6.47
2.17	2.07	2.02	1.45	2.88	2.82
0.90	0.21	1.06	1.84	0.98	0.87
1.72	2.15	1.54	1.74	1.72	1.47
0.55	0.26	1.22	1.09	0.60	0.72
5.34	4.69	5.84	6.12	6.18	5.88
11.85	11.23	13.08	12.32	12.89	12.35
1.41	1.06	1.12	1.49	1.14	1.21
1.47	0.73	1.38	1.57	1.07	0.93
0.22	0.11	0.16	0.23	0.13	0.11
0.32	0.27	0.25	0.35	0.38	0.39
0.49	0.28	0.78	0.27	0.39	0.33
0.36	0.15	0.24	0.28	0.20	0.19
0.21	0.11	0.46	0.30	0.34	0.35
0.09	0.02	0.10	0.10	0.04	0.08
0.28	0.06	0.31	0.21	0.21	0.17
0.85	0.41	1.11	0.54	1.00	0.94
5.70	3.20	5.91	5.34	4.90	4.70
0.58	0.46	0.82	1.17	0.49	0.59
2.35	1.71	2.41	1.57	1.72	1.04
0.47	0.70	0.72	0.74	0.52	0.34
0.18	0.17	0.16	0.19	0.13	0.08
0.16	0.16	0.22	0.17	0.21	0.17
0.28	0.19	0.19	0.06	0.16	0.08
0.51	0.28	0.39	0.10	0.41	0.30
0.63	1.25	0.63	0.26	0.73	1.02
5.16	4.92	5.54	4.26	4.37	3.62

CHAPTER 1 - BY SIZE OF FIRM

BALANCE SHEET

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
ASSETS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
CURRENT ASSETS			
Cash	3.51%	7.84%	2.49%
Receivables	29.07	27.23	27.53
Inventories	17.75	12.91	28.43
Other current assets	3.37	6.98	1.29
TOTAL CURRENT ASSETS	53.70	54.96	59.74
FIXED ASSETS			
Real estate	11.95	12.35	16.62
Less: Accumulated depreciation	3.66	3.66	8.29
	8.29	8.69	8.33
Machinery and equipment	66.40	67.19	74.11
Less: Accumulated depreciation	32.90	34.04	47.46
	33.50	33.15	26.65
Other fixed assets	2.94	1.27	5.95
Less: Accumulated depreciation	1.39	0.69	2.63
	1.55	0.58	3.32
NET FIXED ASSETS	43.34	42.42	38.30
OTHER ASSETS	2.96	2.62	1.96
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	8.28	2.89	19.21
Accounts payable	14.06	10.60	16.93
Other current liabilities	8.77	8.65	8.66
TOTAL CURRENT LIABILITIES	31.11	22.14	44.80
LONG-TERM LIABILITIES	32.21	26.86	24.51
TOTAL LIABILITIES	63.32	49.00	69.31
SHAREHOLDERS' AND PROPRIETORS' EQUITY	36.68	51.00	30.69
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.73	2.48	1.33
QUICK RATIO	1.16	1.90	0.70
TOTAL LIABILITIES TO EQUITY	1.73	0.96	2.26
LONG-TERM LIABILITIES TO EQUITY	0.88	0.53	0.80
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.50	0.51	0.64

** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
3.99%	21.72%	5.76%	8.19%	2.57%	4.77%
29.79	24.50	29.39	29.04	28.81	27.30
23.77	12.66	15.74	11.06	16.15	13.49
4.53	12.76	2.69	4.82	3.40	6.36
62.08	71.64	53.58	53.11	50.93	51.92
8.05	17.31	15.70	17.48	11.44	9.82
2.66	6.90	4.28	4.37	3.47	2.75
5.39	10.41	11.42	13.11	7.97	7.07
62.73	70.33	58.45	51.40	70.07	71.03
35.61	54.73	28.93	23.88	32.80	32.51
27.12	15.60	29.52	27.52	37.27	38.52
2.60	1.01	3.77	2.00	2.56	1.11
1.55	0.64	2.12	1.42	1.00	0.50
1.05	0.37	1.65	0.58	1.56	0.61
33.56	26.38	42.59	41.21	46.80	46.20
4.36	1.98	3.83	5.68	2.27	1.88
100.00	100.00	100.00	100.00	100.00	100.00
11.96	0.00	5.99	2.21	7.47	3.70
20.16	13.34	11.87	9.43	12.91	10.35
7.71	6.95	9.95	12.10	8.65	8.03
39.83	20.29	27.81	23.74	29.03	22.08
28.45	21.77	32.40	33.29	33.67	26.11
68.28	42.06	60.21	57.03	62.70	48.19
31.72	57.94	39.79	42.97	37.30	51.81
100.00	100.00	100.00	100.00	100.00	100.00
1.56	3.53	1.93	2.24	1.75	2.35
0.96	2.91	1.36	1.77	1.20	1.74
2.15	0.73	1.51	1.33	1.68	0.93
0.90	0.38	0.81	0.77	0.90	0.50
0.57	0.78	0.49	0.46	0.47	0.46

CHAPTER 1 - BY SIZE OF FIRM

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 59,637	$ 64,084	$ 38,097
Average assets per factory employee (Excluding Executives)	73,256	75,251	52,379
Average net worth per employee - All employees	20,733	31,549	11,568
Average gross plant investment per factory employee (Excluding Executives)	58,470	59,123	50,582
Net worth percentage of fixed assets	99.98%	141.09%	113.37%
EMPLOYEES			
Percent factory - All employees	85.08%	88.15%	73.67%
Percent administrative - All employees	8.47	6.94	18.81
Percent sales - All employees	6.45	4.91	7.52
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 100,742	$ 101,816	$ 83,799
Sales per factory employee	119,574	116,318	113,515
Sales less material per factory employee	63,918	64,515	56,057
Sales per administrative employee	1,455,911	1,738,728	445,383
EXCLUDING EXECUTIVES			
Sales per employee - All employees	107,329	107,039	89,077
Sales per factory employee	125,052	120,282	115,091
Sales less material per factory employee	66,771	66,702	56,811
SALES PER SALESMAN	2,552,385	2,981,351	436,424
SALES TO CURRENT ASSETS	353%	313%	390%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	30.58%	30.20%	31.14%
Factory payroll percentage of gross plant investment	57.54	51.22	55.45
Payroll per employee - All employees	$ 30,044	$ 29,607	$ 25,899
Payroll per factory employee	27,983	27,593	25,638
Payroll per administrative employee	35,552	41,523	22,121
Payroll per sales employee	62,979	57,934	37,848
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 23,342	$ 22,463	$ 21,506
Payroll per factory employee	22,397	21,991	22,576
Payroll per administrative employee	18,517	18,479	12,813
Payroll per sales employee	48,528	35,602	33,706
EXECUTIVE PAYROLL			
Payroll per executive - All executives	67,052	70,635	43,261
Payroll per factory executive	40,247	44,503	19,812
Payroll per administrative executive	85,384	99,932	47,902
Payroll per sales executive	72,298	92,883	37,338
RECEIVABLES			
Collection period	62.1	63.40	46.30
PROFIT			
Gross profit percentage of sales	17.24%	19.84%	16.94%
Average gross profit per factory employee	$ 21,815	$ 24,010	$ 19,308
Income before taxes percentage of sales	5.84%	11.82%	0.09%
Average income (loss) before taxes per employee	$ 5,997	$ 11,780	$ (31)

** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 51,467	$ 60,428	$ 58,110	$ 60,310	$ 63,808	$ 65,945
63,711	69,217	73,452	76,426	77,147	76,239
14,264	29,976	22,139	25,464	22,619	33,625
45,484	53,961	56,786	53,400	63,394	61,864
123.23%	241.51%	111.43%	122.96%	88.00%	124.75%
83.45%	88.62%	82.30%	82.16%	87.23%	89.77%
9.63	5.54	9.51	10.33	7.17	6.27
6.92	5.84	8.19	7.51	5.60	3.96
$ 86,197	$ 87,161	$ 97,239	$ 91,769	$ 107,308	$ 107,828
103,420	97,780	118,843	112,011	124,980	121,520
53,028	53,223	63,058	61,440	67,906	67,813
1,158,938	1,664,546	1,080,970	1,022,117	1,740,693	1,959,370
93,697	91,003	103,032	97,931	113,994	113,077
109,246	100,290	123,238	116,417	130,977	125,671
55,907	54,629	65,389	63,872	71,062	70,097
1,039,521	622,162	1,960,530	2,253,957	3,373,078	3,617,014
347%	252%	335%	309%	360%	328%
29.77%	33.45%	29.19%	28.97%	31.32%	29.85%
73.92	50.70	51.60	51.25	55.03	51.33
$ 24,710	$ 27,721	$ 28,111	$ 26,291	$ 32,585	$ 30,958
22,590	26,483	25,384	23,599	30,696	28,972
28,713	32,099	29,715	34,039	40,520	45,681
54,338	46,681	59,311	69,951	68,294	56,912
$ 19,104	$ 21,127	$ 22,334	$ 20,482	$ 25,082	$ 23,316
17,855	20,682	20,894	19,750	24,306	22,912
17,017	14,823	16,876	17,096	19,893	19,658
34,843	35,839	41,933	30,321	55,893	37,060
40,856	52,894	69,043	71,123	75,373	74,297
33,500	43,319	48,639	37,916	40,183	46,639
43,109	56,910	74,029	84,565	104,275	113,542
50,646	61,622	88,727	116,803	74,409	92,748
59.0	55.2	66.0	74.1	62.4	62.2
17.33%	15.52%	18.42%	22.04%	16.79%	20.14%
$ 19,210	$ 16,032	$ 23,080	$ 25,440	$ 22,246	$ 25,311
5.42%	10.93%	5.81%	12.12%	6.28%	11.93%
$ 4,850	$ 9,382	$ 5,515	$ 10,847	$ 6,846	$ 12,561

CHAPTER 1 - BY SIZE OF FIRM

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 2.63	$ 6.07	$ 1.13
Receivables	16.34	16.77	12.67
Inventories	9.91	8.20	13.49
Marketable securities	1.04	2.89	0.00
Other current assets	1.22	2.04	0.62
	31.14	35.97	27.91
Plant Investment:			
Land and building	7.33	7.96	8.32
Machinery and equipment	39.05	42.34	34.47
Other fixed assets	1.58	0.74	2.49
	47.96	51.04	45.28
Non-Current Assets	1.91	1.82	0.98
TOTAL INVESTMENT	81.01	88.83	74.17
INVESTMENT TURNOVER PER $100 OF SALES	123.44%	112.57%	134.83%
EARNINGS			
Cost of Product	$82.76	$80.16	$83.06
Selling Expenses	4.78	3.93	5.06
Administrative Expenses	5.40	4.60	9.54
	92.94	88.69	97.66
Income Before Interest, Other Income, and Taxes	7.06	11.31	2.34
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	8.71%	12.73%	3.16%

** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 4.90	$20.64	$ 3.38	$ 4.80	$ 1.75	$ 3.31
15.37	14.38	17.35	19.60	16.47	16.48
12.16	9.02	9.31	7.02	9.27	8.36
2.54	8.72	0.94	2.54	0.68	1.73
0.49	0.07	0.67	0.57	1.68	2.89
35.46	52.83	31.65	34.53	29.85	32.77
4.85	10.58	9.65	11.34	7.13	6.43
36.19	44.77	35.33	33.02	41.55	44.48
1.38	0.81	1.99	1.16	1.43	0.60
42.42	56.16	46.97	45.52	50.11	51.51
2.51	1.20	2.41	3.76	1.59	1.40
80.39	110.19	81.03	83.81	81.55	85.68
124.39%	90.75%	123.41%	119.32%	122.62%	116.71%
$82.67	$84.48	$81.58	$77.96	$83.21	$79.86
5.16	4.92	5.54	4.26	4.37	3.62
5.70	3.20	5.91	5.34	4.90	4.70
93.53	92.60	93.03	87.56	92.48	88.18
6.47	7.40	6.97	12.44	7.52	11.82
8.05%	6.72%	8.60%	14.84%	9.22%	13.80%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	44.07	45.23	44.40	42.80
FACTORY EXPENSES	23.02	19.55	23.61	22.27
TOTAL FACTORY COST OF PRODUCT	67.09	64.78	68.01	65.07
GROSS PROFIT	32.91	35.22	31.99	34.93
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	10.17	7.97	10.33	8.47
Selling expenses	10.65	8.11	7.34	6.02
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	20.82	16.08	17.67	14.49
INCOME BEFORE INTEREST EXPENSE	12.09	19.14	14.32	20.44
Interest expense	4.12	1.29	3.60	2.37
OPERATING INCOME	7.97	17.85	10.72	18.07
Other income	1.35	3.57	1.62	2.44
INCOME BEFORE INCOME TAXES	9.32	21.42	12.34	20.51

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.68%	2.28%	2.61%	2.07%
Direct wages	28.02	28.60	26.68	26.19
General factory salaries and wages	4.04	3.88	5.63	6.13
Packing, shipping and delivery wages	1.90	2.05	1.48	1.03
Payroll taxes	2.67	3.21	3.21	2.61
Employee benefits	4.76	5.21	4.79	4.77
TOTAL FACTORY PAYROLL	44.07	45.23	44.40	42.80
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.37	0.40	0.47	0.46
Depreciation - other	6.53	5.51	5.56	5.80
Taxes - real estate	0.50	0.65	0.54	0.35
Taxes - other	0.31	0.34	0.27	0.30
Insurance	0.36	0.12	0.32	0.31
Building rent	0.98	0.56	0.66	0.33
Utilities - heat, light, etc.	3.33	3.71	3.11	2.80
Equipment rental	0.39	0.44	1.30	0.57
Total Fixed Expenses	12.77	11.73	12.23	10.92
Other Expenses				
Factory supplies and expense	4.16	3.79	4.76	4.54
Packing, shipping and delivery expense	2.00	0.81	1.93	2.20
Repairs and maintenance	2.91	2.81	3.19	2.87
Other factory expenses	1.18	0.41	1.50	1.74
Total Other Expenses	10.25	7.82	11.38	11.35
TOTAL FACTORY EXPENSES	23.02	19.55	23.61	22.27
ADMINISTRATIVE EXPENSES				
Salaries - executive	2.15	2.42	2.38	1.99
Salaries - office	2.27	1.50	2.50	2.07
Payroll taxes	0.27	0.28	0.33	0.23
Employee benefits	0.56	0.53	0.69	0.72
Bad debts	0.96	0.45	1.07	0.68
Office supplies and expenses	0.44	0.20	0.47	0.47
Professional fees	0.64	0.46	0.72	0.65
Taxes - business	0.15	0.07	0.13	0.17
Telephone	0.54	0.28	0.39	0.30
Other administrative expenses	2.19	1.78	1.65	1.19
TOTAL ADMINISTRATIVE EXPENSES	10.17	7.97	10.33	8.47
SELLING EXPENSES				
Salaries - executive	1.20	0.76	1.04	1.41
Salaries and commissions - salesmen	5.05	3.43	2.67	1.65
Salaries - sales office clerical	1.07	0.97	0.95	0.76
Payroll taxes	0.29	0.31	0.28	0.15
Employee benefits	0.33	0.25	0.38	0.33
Advertising	0.39	0.15	0.33	0.12
Travel and entertainment	1.01	0.37	0.67	0.53
Other selling expenses	1.31	1.87	1.02	1.07
TOTAL SELLING EXPENSES	10.65	8.11	7.34	6.02

CHAPTER 2 - BY PRODUCT SPECIALTY

REPORT ON OPERATIONS - SALES = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIALS				
Paper	35.95	34.67	30.26	27.84
Other chargeable materials	7.65	6.62	8.09	8.15
Outside services	5.09	5.78	4.51	4.45
TOTAL MATERIALS	48.69	47.07	42.86	40.44
FACTORY PAYROLL	22.64	24.03	25.24	25.42
FACTORY EXPENSES	11.86	10.33	13.45	13.26
TOTAL FACTORY COST OF PRODUCT	83.19	81.43	81.55	79.12
GROSS PROFIT	16.81	18.57	18.45	20.88
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	5.19	4.26	5.82	5.02
Selling expenses	5.45	4.27	4.19	3.62
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	10.64	8.53	10.01	8.64
INCOME BEFORE INTEREST EXPENSE	6.17	10.04	8.44	12.24
Interest expense	2.05	0.73	2.05	1.36
OPERATING INCOME	4.12	9.31	6.39	10.88
Other income	0.73	1.98	0.92	1.43
INCOME BEFORE INCOME TAXES	4.85	11.29	7.31	12.31

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS				
Ink	4.94%	4.52%	4.91%	5.03%
Film	0.69	0.42	0.68	0.76
Plates	0.67	0.69	1.16	1.22
Other chargeable materials	1.35	0.99	1.34	1.14
TOTAL OTHER CHARGEABLE MATERIALS	7.65	6.62	8.09	8.15
OUTSIDE SERVICES				
Composition	0.27	0.04	0.10	0.03
Offset preparation	1.12	0.92	0.91	0.57
Printing	1.02	2.01	1.32	2.01
Binding	1.65	1.84	0.96	0.55
Other outside services	1.03	0.97	1.22	1.29
TOTAL OUTSIDE SERVICES	5.09	5.78	4.51	4.45

SUPPORTING SCHEDULES - SALES = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	1.30%	1.19%	1.48%	1.23%
Direct wages	14.45	15.27	15.14	15.58
General factory salaries and wages	2.06	1.98	3.19	3.60
Packing, shipping and delivery wages	0.97	1.10	0.83	0.60
Payroll taxes	1.37	1.74	1.87	1.60
Employee benefits	2.49	2.75	2.73	2.81
TOTAL FACTORY PAYROLL	22.64	24.03	25.24	25.42
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.19	0.22	0.28	0.27
Depreciation - other	3.36	2.84	3.22	3.47
Taxes - real estate	0.26	0.33	0.32	0.19
Taxes - other	0.15	0.18	0.16	0.19
Insurance	0.18	0.06	0.19	0.18
Building rent	0.51	0.32	0.37	0.22
Utilities - heat, light, etc.	1.71	1.98	1.80	1.68
Equipment rental	0.20	0.25	0.69	0.34
Total Fixed Expenses	6.56	6.18	7.03	6.54
Other Expenses				
Factory supplies and expense	2.16	2.00	2.76	2.73
Packing, shipping and delivery expense	1.04	0.44	1.06	1.36
Repairs and maintenance	1.50	1.50	1.75	1.59
Other factory expenses	0.60	0.21	0.85	1.04
Total Other Expenses	5.30	4.15	6.42	6.72
TOTAL FACTORY EXPENSES	11.86	10.33	13.45	13.26
ADMINISTRATIVE EXPENSES				
Salaries - executive	1.10	1.30	1.36	1.22
Salaries - office	1.15	0.81	1.40	1.21
Payroll taxes	0.14	0.15	0.19	0.14
Employee benefits	0.29	0.28	0.40	0.45
Bad debts	0.48	0.23	0.57	0.37
Office supplies and expenses	0.22	0.10	0.26	0.27
Professional fees	0.32	0.24	0.40	0.37
Taxes - business	0.07	0.03	0.08	0.11
Telephone	0.27	0.15	0.22	0.18
Other administrative expenses	1.15	0.97	0.94	0.70
TOTAL ADMINISTRATIVE EXPENSES	5.19	4.26	5.82	5.02
SELLING EXPENSES				
Salaries - executive	0.60	0.40	0.59	0.86
Salaries and commissions - salesmen	2.60	1.71	1.49	0.96
Salaries - sales office clerical	0.54	0.54	0.53	0.44
Payroll taxes	0.15	0.17	0.16	0.09
Employee benefits	0.17	0.14	0.22	0.20
Advertising	0.20	0.08	0.20	0.07
Travel and entertainment	0.50	0.20	0.38	0.32
Other selling expenses	0.69	1.03	0.62	0.68
TOTAL SELLING EXPENSES	5.45	4.27	4.19	3.62

BALANCE SHEET

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	4.44%	11.37%	2.67%	6.08%
Receivables	29.92	29.95	27.27	23.92
Inventories	18.84	14.09	16.89	12.30
Other current assets	2.58	5.81	4.27	8.32
TOTAL CURRENT ASSETS	55.78	61.22	51.10	50.62
FIXED ASSETS				
Real estate	10.68	10.95	11.78	12.32
Less: Accumulated depreciation	3.55	3.13	3.21	3.68
	7.13	7.82	8.57	8.64
Machinery and equipment	65.54	61.70	68.51	69.70
Less: Accumulated depreciation	32.25	34.16	33.18	32.10
	33.29	27.54	35.33	37.60
Other fixed assets	3.13	1.35	3.02	1.23
Less: Accumulated depreciation	1.47	0.66	1.42	0.72
	1.66	0.69	1.60	0.51
NET FIXED ASSETS	42.08	36.05	45.50	46.75
OTHER ASSETS	2.14	2.73	3.40	2.63
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	9.41	0.84	7.99	4.50
Accounts payable	14.43	11.91	13.15	8.30
Other current liabilities	9.08	11.18	7.96	7.07
TOTAL CURRENT LIABILITIES	32.92	23.93	29.10	19.87
LONG-TERM LIABILITIES	32.25	27.26	31.88	28.83
TOTAL LIABILITIES	65.17	51.19	60.98	48.70
SHAREHOLDERS' AND PROPRIETORS' EQUITY	34.83	48.81	39.02	51.30
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.69	2.56	1.76	2.55
QUICK RATIO	1.12	1.97	1.18	1.93
TOTAL LIABILITIES TO EQUITY	1.87	1.05	1.56	0.95
LONG-TERM LIABILITIES TO EQUITY	0.93	0.56	0.82	0.56
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.49	0.55	0.48	0.46

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 66,111	$ 76,650	$ 53,636	$ 57,657
Average assets per factory employee (Excluding Executives)	83,203	91,641	64,438	66,786
Average net worth per employee - All employees	21,438	34,612	20,905	29,935
Average gross plant investment per factory employee (Excluding Executives)	64,265	65,420	53,748	55,784
Net worth percentage of fixed assets	103.38%	164.92%	97.01%	123.86%
EMPLOYEES				
Percent factory - All employees	83.16%	86.27%	86.45%	89.24%
Percent administrative - All employees	8.89	7.38	8.48	6.73
Percent sales - All employees	7.95	6.35	5.07	4.03
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 110,817	$ 119,448	$ 89,969	$ 89,942
Sales per factory employee	134,454	138,653	104,855	101,595
Sales less material per factory employee	69,147	72,412	59,415	59,419
Sales per administrative employee EXCLUDING EXECUTIVES	1,507,816	1,968,129	1,284,984	1,582,503
Sales per employee - All employees	118,435	126,323	95,651	94,111
Sales per factory employee	140,832	143,825	109,550	104,852
Sales less material per factory employee	72,253	75,082	62,033	61,340
SALES PER SALESMAN	1,654,567	1,770,544	3,532,021	3,881,005
SALES TO CURRENT ASSETS	341%	275%	365%	328%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES				
Total payroll percentage of sales	29.39%	29.51%	31.58%	30.98%
Factory payroll percentage of gross plant investment	53.43	52.55	59.97	50.02
Payroll per employee - All employees	$ 31,582	$ 32,938	$ 28,268	$ 27,590
Payroll per factory employee	29,300	31,255	26,310	25,263
Payroll per administrative employee	33,346	41,811	37,583	42,522
Payroll per sales employee	61,718	43,374	67,456	68,470
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 24,911	$ 25,018	$ 21,616	$ 20,939
Payroll per factory employee	23,594	24,541	20,975	20,422
Payroll per administrative employee	17,319	16,839	19,490	20,108
Payroll per sales employee	53,061	37,509	46,308	34,923
EXECUTIVE PAYROLL				
Payroll per executive - All executives	65,362	60,203	71,943	77,906
Payroll per factory executive	40,276	46,340	40,657	42,765
Payroll per administrative executive	76,847	84,738	97,658	113,448
Payroll per sales executive	65,377	43,480	77,565	122,029
RECEIVABLES				
Collection period	64.4	72.1	58.8	57.4
PROFIT				
Gross profit percentage of sales	16.81%	18.57%	18.45%	20.88%
Average gross profit per factory employee	$ 24,834	$ 27,872	$ 19,796	$ 21,723
Income before taxes percentage of sales	4.85%	11.29%	7.31%	12.31%
Average income before taxes per employee	$ 5,900	$ 13,261	$ 6,455	$ 10,893

RETURN ON INVESTMENT - PER $100 OF SALES

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 3.26	$ 9.65	$ 2.14	$ 4.16
Receivables	17.00	19.11	15.43	15.15
Inventories	11.12	9.43	8.90	7.71
Marketable securities	1.00	3.27	1.23	2.87
Other current assets	0.65	0.73	1.77	3.08
	33.03	42.19	29.47	32.97
Plant Investment:				
Land and building	6.55	8.13	7.53	7.72
Machinery and equipment	38.89	39.55	40.91	45.06
Other fixed assets	1.64	0.85	1.67	0.69
	47.08	48.53	50.11	53.47
Non-Current Assets	1.28	1.87	2.41	1.88
TOTAL INVESTMENT	81.39	92.59	81.99	88.32
INVESTMENT TURNOVER PER $100 OF SALES	122.87%	108.00%	121.97%	113.22%
EARNINGS				
Cost of Product	$83.19	$81.43	$81.55	$79.12
Selling Expenses	5.45	4.27	4.19	3.62
Administrative Expenses	5.19	4.26	5.82	5.02
	93.83	89.96	91.56	87.76
Income Before Interest, Other Income, and Taxes	6.17	10.04	8.44	12.24
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	7.58%	10.84%	10.29%	13.86%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	0% TO 11%		11% TO 21%	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	43.59	46.75	48.34	45.04
FACTORY EXPENSES	24.17	20.78	21.99	21.79
TOTAL FACTORY COST OF PRODUCT	67.76	67.53	70.33	66.83
GROSS PROFIT	32.24	32.47	29.67	33.17
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	11.80	8.43	9.58	9.82
Selling expenses	10.40	7.31	9.60	8.20
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	22.20	15.74	19.18	18.02
INCOME BEFORE INTEREST EXPENSE	10.04	16.73	10.49	15.15
Interest expense	4.33	2.15	4.07	2.06
OPERATING INCOME	5.71	14.58	6.42	13.09
Other income	1.44	4.34	2.75	7.21
INCOME BEFORE INCOME TAXES	7.15	18.92	9.17	20.30

21% TO 41%		41% TO 61%		OVER 61%	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
X	X	X	X	X	X
X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
47.43	44.42	43.13	40.88	44.70	44.42
22.87	26.60	22.08	22.98	23.38	19.06
70.30	71.02	65.21	63.86	68.08	63.48
29.70	28.98	34.79	36.14	31.92	36.52
8.69	5.48	8.31	9.17	8.92	6.66
9.26	3.57	7.89	7.51	6.55	5.99
17.95	9.05	16.20	16.68	15.47	12.65
11.75	19.93	18.59	19.46	16.45	23.87
2.80	2.04	3.62	2.42	3.04	0.43
8.95	17.89	14.97	17.04	13.41	23.44
1.20	0.32	1.82	3.32	0.86	0.62
10.15	18.21	16.79	20.36	14.27	24.06

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	0% TO 11%		11% TO 21%	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.95%	2.25%	2.91%	3.76%
Direct wages	27.93	30.18	26.66	22.83
General factory salaries and wages	4.62	6.11	6.50	6.11
Packing, shipping and delivery wages	1.49	1.50	2.02	3.16
Payroll taxes	2.64	2.19	3.57	3.44
Employee benefits	3.96	4.52	6.68	5.74
TOTAL FACTORY PAYROLL	43.59	46.75	48.34	45.04
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.38	0.54	0.23	0.35
Depreciation - other	6.88	6.50	5.12	5.03
Taxes - real estate	0.54	0.83	0.29	0.47
Taxes - other	0.23	0.10	0.44	0.60
Insurance	0.44	0.37	0.25	0.16
Building rent	0.94	0.02	0.52	0.31
Utilities - heat, light, etc.	2.64	2.35	3.83	3.67
Equipment rental	0.81	0.44	1.14	1.04
Total Fixed Expenses	12.86	11.15	11.82	11.63
Other Expenses				
Factory supplies and expense	4.28	3.05	4.97	6.09
Packing, shipping and delivery expense	1.63	1.07	0.95	1.15
Repairs and maintenance	3.44	3.86	2.95	1.80
Other factory expenses	1.96	1.65	1.30	1.12
Total Other Expenses	11.31	9.63	10.17	10.16
TOTAL FACTORY EXPENSES	24.17	20.78	21.99	21.79
ADMINISTRATIVE EXPENSES				
Salaries - executive	2.45	1.91	2.02	2.25
Salaries - office	2.74	1.56	2.23	2.03
Payroll taxes	0.37	0.23	0.29	0.33
Employee benefits	0.53	0.34	0.85	0.73
Bad debts	1.48	1.57	0.73	0.52
Office supplies and expenses	0.55	0.36	0.45	0.40
Professional fees	0.69	0.87	0.58	0.41
Taxes - business	0.15	0.13	0.03	0.04
Telephone	0.51	0.27	0.50	0.19
Other administrative expenses	2.33	1.19	1.90	2.92
TOTAL ADMINISTRATIVE EXPENSES	11.80	8.43	9.58	9.82
SELLING EXPENSES				
Salaries - executive	1.16	0.67	1.02	0.65
Salaries and commissions - salesmen	4.73	3.93	3.80	1.91
Salaries - sales office clerical	1.39	1.07	1.03	0.92
Payroll taxes	0.34	0.26	0.29	0.23
Employee benefits	0.40	0.27	0.54	0.40
Advertising	0.43	0.27	0.33	0.03
Travel and entertainment	0.94	0.36	0.87	0.53
Other selling expenses	1.01	0.48	1.72	3.53
TOTAL SELLING EXPENSES	10.40	7.31	9.60	8.20

21% TO 41%		41% TO 61%		OVER 61%	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
3.11%	1.89%	1.75%	1.69%	2.70%	1.74%
30.53	28.43	26.29	23.97	27.36	31.68
3.96	3.29	5.13	6.24	4.57	3.50
1.59	0.62	1.58	1.20	1.23	0.62
2.87	3.35	3.25	3.12	3.96	3.18
5.37	6.84	5.13	4.66	4.88	3.70
47.43	44.42	43.13	40.88	44.70	44.42
0.54	0.38	0.56	0.55	0.75	0.40
5.36	6.19	5.28	5.69	5.01	5.84
0.47	0.53	0.28	0.27	1.01	0.28
0.38	0.31	0.41	0.49	0.28	0.29
0.27	0.25	0.42	0.23	0.34	0.24
0.62	0.34	0.68	0.73	0.70	0.84
3.72	3.22	3.23	3.23	3.89	3.21
0.35	1.21	0.42	0.57	1.34	0.00
11.71	12.43	11.28	11.76	13.32	11.10
3.61	3.87	4.36	4.32	5.97	4.67
2.69	5.41	2.25	2.20	0.77	0.55
2.87	1.81	3.38	3.55	2.95	1.95
1.99	3.08	0.81	1.15	0.37	0.79
11.16	14.17	10.80	11.22	10.06	7.96
22.87	26.60	22.08	22.98	23.38	19.06
1.76	1.61	2.48	2.97	2.51	2.08
1.74	1.12	1.85	1.83	1.95	1.33
0.19	0.21	0.19	0.20	0.33	0.19
0.72	0.62	0.55	0.63	0.70	0.73
0.79	0.10	0.33	0.35	0.48	0.18
0.39	0.37	0.36	0.27	0.28	0.34
0.53	0.35	0.55	0.58	0.60	0.57
0.09	0.07	0.23	0.32	0.02	0.00
0.35	0.25	0.43	0.42	0.35	0.22
2.13	0.78	1.34	1.60	1.70	1.02
8.69	5.48	8.31	9.17	8.92	6.66
0.81	0.52	1.46	1.77	0.43	0.42
4.03	0.79	2.98	1.87	2.01	1.79
1.57	0.98	0.59	0.52	0.62	0.63
0.30	0.19	0.13	0.14	0.32	0.18
0.54	0.25	0.21	0.24	0.24	0.21
0.39	0.12	0.21	0.27	0.44	0.12
0.79	0.26	0.60	0.56	0.59	0.52
0.83	0.46	1.71	2.14	1.90	2.12
9.26	3.57	7.89	7.51	6.55	5.99

CHAPTER 3 - BY PERCENTAGE OF PAPER SUPPLIED

REPORT ON OPERATIONS - SALES = 100%

	0% TO 11%		11% TO 21%	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIALS				
Paper	37.92	39.70	34.85	32.14
Other chargeable materials	7.50	8.29	6.26	5.08
Outside services	4.18	4.51	5.36	4.16
TOTAL MATERIALS	49.60	52.50	46.47	41.38
FACTORY PAYROLL	21.77	22.26	25.91	26.50
FACTORY EXPENSES	12.13	9.85	11.77	12.87
TOTAL FACTORY COST OF PRODUCT	83.50	84.61	84.15	80.75
GROSS PROFIT	16.50	15.39	15.85	19.25
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	5.98	3.97	5.11	5.66
Selling expenses	5.32	3.45	5.10	4.75
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	11.30	7.42	10.21	10.41
INCOME BEFORE INTEREST EXPENSE	5.20	7.97	5.64	8.84
Interest expense	2.16	1.05	2.10	1.19
OPERATING INCOME	3.04	6.92	3.54	7.65
Other income	0.71	2.05	1.59	4.25
INCOME BEFORE INCOME TAXES	3.75	8.97	5.13	11.90

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS				
Ink	4.32%	5.28%	4.23%	3.09%
Film	0.74	0.42	0.62	0.72
Plates	0.79	0.60	0.72	0.92
Other chargeable materials	1.65	1.99	0.69	0.35
TOTAL OTHER CHARGEABLE MATERIALS	7.50	8.29	6.26	5.08
OUTSIDE SERVICES				
Composition	0.09	0.03	0.04	0.00
Offset preparation	0.85	1.19	2.11	0.35
Printing	0.73	1.04	0.46	0.42
Binding	1.49	1.81	1.33	1.08
Other outside services	1.02	0.44	1.42	2.31
TOTAL OUTSIDE SERVICES	4.18	4.51	5.36	4.16

21% TO 41%		41% TO 61%		OVER 61%	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
31.78	31.94	26.42	25.92	20.95	18.51
7.88	6.49	7.67	6.91	10.69	11.88
5.98	1.56	4.27	5.15	4.58	5.41
45.64	39.99	38.36	37.98	36.22	35.80
25.72	26.31	26.68	25.39	28.54	28.69
12.54	16.05	13.57	14.20	14.93	12.22
83.90	82.35	78.61	77.57	79.69	76.71
16.10	17.65	21.39	22.43	20.31	23.29
4.66	3.40	5.22	5.77	5.65	4.20
4.88	2.18	4.85	4.68	4.14	3.81
9.54	5.58	10.07	10.45	9.79	8.01
6.56	12.07	11.32	11.98	10.52	15.28
1.53	1.22	2.17	1.54	1.97	0.28
5.03	10.85	9.15	10.44	8.55	15.00
0.66	0.23	1.18	2.16	0.54	0.37
5.69	11.08	10.33	12.60	9.09	15.37
4.56%	4.16%	4.71%	4.34%	7.65%	8.48%
0.63	0.56	0.64	0.51	0.34	0.82
0.72	0.86	0.93	1.18	1.63	1.86
1.97	0.91	1.39	0.88	1.07	0.72
7.88	6.49	7.67	6.91	10.69	11.88
1.16	0.00	0.01	0.02	0.00	0.00
1.18	0.50	1.41	1.84	1.15	0.07
1.46	0.39	1.79	2.30	1.35	3.21
1.74	0.00	0.79	0.64	0.30	0.37
0.44	0.67	0.27	0.35	1.78	1.76
5.98	1.56	4.27	5.15	4.58	5.41

SUPPORTING SCHEDULES - SALES = 100%

	0% TO 11%		11% TO 21%	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	1.46%	1.07%	1.62%	2.25%
Direct wages	13.92	14.36	14.25	13.37
General factory salaries and wages	2.32	2.90	3.46	3.68
Packing, shipping and delivery wages	0.74	0.71	1.07	1.77
Payroll taxes	1.32	1.03	1.92	2.02
Employee benefits	2.01	2.19	3.59	3.41
TOTAL FACTORY PAYROLL	21.77	22.26	25.91	26.50
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.19	0.26	0.12	0.21
Depreciation - other	3.45	3.05	2.76	2.96
Taxes - real estate	0.27	0.39	0.16	0.27
Taxes - other	0.11	0.05	0.25	0.36
Insurance	0.22	0.18	0.13	0.09
Building rent	0.48	0.01	0.27	0.17
Utilities - heat, light, etc.	1.32	1.12	2.03	2.14
Equipment rental	0.43	0.21	0.60	0.65
Total Fixed Expenses	6.47	5.27	6.32	6.85
Other Expenses				
Factory supplies and expense	2.17	1.46	2.70	3.64
Packing, shipping and delivery expense	0.78	0.51	0.51	0.67
Repairs and maintenance	1.71	1.82	1.53	1.04
Other factory expenses	1.00	0.79	0.71	0.67
Total Other Expenses	5.66	4.58	5.45	6.02
TOTAL FACTORY EXPENSES	12.13	9.85	11.77	12.87
ADMINISTRATIVE EXPENSES				
Salaries - executive	1.23	0.89	1.10	1.34
Salaries - office	1.39	0.74	1.18	1.16
Payroll taxes	0.19	0.11	0.15	0.19
Employee benefits	0.27	0.16	0.44	0.43
Bad debts	0.75	0.75	0.38	0.31
Office supplies and expenses	0.29	0.17	0.24	0.24
Professional fees	0.34	0.40	0.31	0.25
Taxes - business	0.07	0.06	0.02	0.02
Telephone	0.26	0.13	0.26	0.11
Other administrative expenses	1.19	0.56	1.03	1.61
TOTAL ADMINISTRATIVE EXPENSES	5.98	3.97	5.11	5.66
SELLING EXPENSES				
Salaries - executive	0.60	0.32	0.55	0.40
Salaries and commissions - salesmen	2.41	1.82	1.97	1.13
Salaries - sales office clerical	0.71	0.52	0.56	0.54
Payroll taxes	0.17	0.12	0.16	0.14
Employee benefits	0.21	0.13	0.29	0.24
Advertising	0.22	0.13	0.17	0.02
Travel and entertainment	0.48	0.18	0.46	0.32
Other selling expenses	0.52	0.23	0.94	1.96
TOTAL SELLING EXPENSES	5.32	3.45	5.10	4.75

21% TO 41%		41% TO 61%		OVER 61%	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
1.66%	1.18%	1.10%	1.03%	1.63%	1.08%
16.54	16.77	16.21	14.93	17.51	20.46
2.16	1.96	3.21	3.88	2.94	2.29
0.85	0.38	1.00	0.79	0.79	0.38
1.57	1.97	2.01	1.95	2.58	2.06
2.94	4.05	3.15	2.81	3.09	2.42
25.72	26.31	26.68	25.39	28.54	28.69
0.29	0.23	0.33	0.33	0.50	0.26
2.95	3.78	3.24	3.54	3.23	3.75
0.25	0.31	0.17	0.16	0.68	0.18
0.21	0.19	0.27	0.32	0.17	0.17
0.15	0.15	0.27	0.14	0.22	0.15
0.33	0.19	0.42	0.44	0.48	0.57
1.99	1.86	1.99	2.00	2.48	2.04
0.19	0.67	0.25	0.35	0.76	0.00
6.36	7.38	6.94	7.28	8.52	7.12
1.92	2.21	2.74	2.67	3.80	3.03
1.58	3.44	1.36	1.39	0.50	0.34
1.53	1.06	2.02	2.13	1.87	1.21
1.15	1.96	0.51	0.73	0.24	0.52
6.18	8.67	6.63	6.92	6.41	5.10
12.54	16.05	13.57	14.20	14.93	12.22
0.96	1.01	1.53	1.83	1.55	1.27
0.94	0.70	1.15	1.15	1.28	0.85
0.10	0.13	0.12	0.13	0.21	0.13
0.39	0.39	0.36	0.41	0.46	0.50
0.41	0.06	0.22	0.24	0.30	0.11
0.22	0.23	0.23	0.17	0.18	0.21
0.28	0.21	0.35	0.37	0.37	0.35
0.05	0.04	0.16	0.22	0.01	0.00
0.19	0.16	0.27	0.26	0.22	0.14
1.12	0.47	0.83	0.99	1.07	0.64
4.66	3.40	5.22	5.77	5.65	4.20
0.43	0.32	0.96	1.17	0.25	0.25
2.08	0.46	1.78	1.17	1.25	1.10
0.86	0.63	0.37	0.32	0.36	0.39
0.16	0.11	0.08	0.08	0.20	0.11
0.29	0.16	0.14	0.15	0.14	0.13
0.20	0.07	0.12	0.16	0.30	0.08
0.42	0.15	0.38	0.36	0.38	0.33
0.44	0.28	1.02	1.27	1.26	1.42
4.88	2.18	4.85	4.68	4.14	3.81

BALANCE SHEET

	0% TO 11%		11% TO 21%	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	1.99%	2.09%	4.06%	6.40%
Receivables	29.59	27.28	32.48	28.95
Inventories	19.98	16.17	15.78	10.90
Other current assets	2.62	4.92	5.32	12.78
TOTAL CURRENT ASSETS	54.18	50.46	57.64	59.03
FIXED ASSETS				
Real estate	11.56	14.70	9.68	9.78
Less: Accumulated depreciation	3.24	3.28	3.64	4.48
	8.32	11.42	6.04	5.30
Machinery and equipment	66.49	69.11	71.29	78.30
Less: Accumulated depreciation	34.25	32.67	38.61	46.69
	32.24	36.44	32.68	31.61
Other fixed assets	3.54	1.17	2.63	1.57
Less: Accumulated depreciation	1.92	0.49	1.16	0.51
	1.62	0.68	1.47	1.06
NET FIXED ASSETS	42.18	48.54	40.19	37.97
OTHER ASSETS	3.64	1.00	2.17	3.00
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	10.05	3.51	12.01	2.44
Accounts payable	13.57	9.74	14.89	7.75
Other current liabilities	6.83	2.55	8.54	7.25
TOTAL CURRENT LIABILITIES	30.45	15.80	35.44	17.44
LONG-TERM LIABILITIES	31.88	34.81	30.13	16.00
TOTAL LIABILITIES	62.33	50.61	65.57	33.44
SHAREHOLDERS' AND PROPRIETORS' EQUITY	37.67	49.39	34.43	66.56
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.78	3.19	1.63	3.38
QUICK RATIO	1.12	2.17	1.18	2.76
TOTAL LIABILITIES TO EQUITY	1.65	1.02	1.90	0.50
LONG-TERM LIABILITIES TO EQUITY	0.85	0.70	0.88	0.24
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.52	0.47	0.54	0.60

21% TO 41%		41% TO 61%		OVER 61%	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
3.33%	6.91%	4.89%	6.77%	2.22%	2.15%
27.91	26.62	28.42	29.65	24.93	21.75
19.62	14.40	12.74	11.00	13.57	9.91
4.47	10.61	2.67	3.64	6.94	15.52
55.33	58.54	48.72	51.06	47.66	49.33
15.56	13.22	13.33	12.79	14.46	9.24
5.12	2.69	4.02	3.83	3.69	2.11
10.44	10.53	9.31	8.96	10.77	7.13
59.21	52.73	73.21	73.55	67.95	68.50
30.46	26.98	34.19	35.33	32.82	29.32
28.75	25.75	39.02	38.22	35.13	39.18
4.02	2.05	1.29	0.76	2.82	1.04
0.93	1.25	0.62	0.43	1.23	0.41
3.09	0.80	0.67	0.33	1.59	0.63
42.28	37.08	49.00	47.51	47.49	46.94
2.39	4.38	2.28	1.43	4.85	3.73
100.00	100.00	100.00	100.00	100.00	100.00
2.05	2.31	8.04	3.57	3.73	4.22
11.02	4.85	14.24	13.59	11.41	7.15
15.16	19.51	8.20	7.85	8.38	6.91
28.23	26.67	30.48	25.01	23.52	18.28
34.86	41.02	27.87	25.16	30.50	20.40
63.09	67.69	58.35	50.17	54.02	38.68
36.91	32.31	41.65	49.83	45.98	61.32
100.00	100.00	100.00	100.00	100.00	100.00
1.96	2.19	1.60	2.04	2.03	2.70
1.26	1.66	1.18	1.60	1.45	2.16
1.71	2.10	1.40	1.01	1.17	0.63
0.94	1.27	0.67	0.50	0.66	0.33
0.51	0.51	0.47	0.48	0.48	0.43

SIGNIFICANT FACTS

	0% TO 11%		11% TO 21%	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 55,910	$ 75,833	$ 54,218	$ 58,838
Average assets per factory employee (Excluding Executives)	70,363	90,118	68,170	72,922
Average net worth per employee - All employees	20,936	35,134	19,035	40,424
Average gross plant investment per factory employee (Excluding Executives)	57,029	75,778	55,274	62,800
Net worth percentage of fixed assets	98.12%	119.63%	103.06%	225.09%
EMPLOYEES				
Percent factory - All employees	83.05%	87.49%	85.21%	86.66%
Percent administrative - All employees	8.87	5.45	8.78	9.82
Percent sales - All employees	8.08	7.06	6.01	3.52
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 92,187	$ 103,489	$ 112,719	$ 106,551
Sales per factory employee	111,633	118,887	133,764	126,006
Sales less material per factory employee	56,396	56,569	70,251	72,048
Sales per administrative employee	1,306,434	2,057,016	1,374,694	1,217,481
EXCLUDING EXECUTIVES				
Sales per employee - All employees	99,247	108,876	121,387	114,018
Sales per factory employee	117,292	123,030	142,287	133,178
Sales less material per factory employee	59,258	58,528	74,707	76,178
SALES PER SALESMAN	2,102,437	2,051,460	1,543,747	822,162
SALES TO CURRENT ASSETS	332%	284%	373%	305%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES				
Total payroll percentage of sales	28.96%	27.08%	32.31%	32.07%
Factory payroll percentage of gross plant investment	50.29	37.96	64.19	48.30
Payroll per employee - All employees	$ 26,442	$ 28,181	$ 34,454	$ 29,820
Payroll per factory employee	23,983	26,621	32,568	29,229
Payroll per administrative employee	32,312	37,253	36,601	37,012
Payroll per sales employee	48,745	40,616	61,731	57,669
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 21,305	$ 23,157	$ 25,904	$ 21,743
Payroll per factory employee	19,766	22,351	25,188	22,211
Payroll per administrative employee	19,875	21,884	17,581	15,482
Payroll per sales employee	43,348	34,396	41,342	19,796
EXECUTIVE PAYROLL				
Payroll per executive - All executives	44,685	47,136	74,368	52,227
Payroll per factory executive	30,937	38,403	57,189	41,046
Payroll per administrative executive	56,910	60,919	110,485	103,339
Payroll per sales executive	59,052	65,060	94,867	86,917
RECEIVABLES				
Collection period	66.3	76.4	58.7	60.6
PROFIT				
Gross profit percentage of sales	16.50%	15.39%	15.85%	19.25%
Average gross profit per factory employee	$ 19,755	$ 19,063	$ 24,029	$ 29,460
Income before taxes percentage of sales	3.75%	8.97%	5.13%	11.90%
Average income before taxes per employee	$ 3,669	$ 9,295	$ 5,698	$ 12,388

21% TO 41%		41% TO 61%		OVER 61%	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 67,381	$ 68,534	$ 62,671	$ 63,448	$ 54,466	$ 52,583
88,102	77,665	72,445	72,973	63,983	59,076
21,838	19,947	25,690	31,267	23,672	32,294
65,036	51,712	61,046	60,844	54,742	47,491
102.84%	88.87%	94.04%	113.99%	113.78%	151.22%
83.67%	89.92%	89.08%	89.49%	88.06%	91.99%
6.91	5.94	6.80	6.45	8.46	4.85
9.42	4.14	4.12	4.06	3.48	3.16
$ 110,717	$ 103,684	$ 103,408	$ 104,131	$ 86,194	$ 79,266
137,536	113,970	116,248	116,586	99,601	86,619
73,836	67,212	70,497	71,306	63,909	54,928
1,831,234	2,457,471	1,541,535	1,628,250	1,174,644	1,632,030
118,262	108,814	108,297	108,728	91,584	83,189
144,553	117,749	119,874	119,502	103,766	89,592
77,512	69,551	72,789	73,071	66,374	56,747
2,592,840	5,036,517	2,833,485	3,130,394	5,943,874	7,187,560
333%	261%	378%	347%	362%	329%
31.93%	30.22%	33.18%	31.82%	34.24%	33.43%
57.25	59.73	54.97	49.90	60.71	60.55
$ 33,965	$ 31,623	$ 33,370	$ 32,415	$ 29,891	$ 26,096
32,563	30,831	29,929	28,741	28,876	24,119
34,887	32,039	49,485	57,047	38,384	45,791
49,952	42,891	93,483	73,588	77,652	38,640
$ 26,755	$ 23,306	$ 25,002	$ 23,334	$ 22,476	$ 20,685
26,128	23,232	23,739	22,576	22,400	20,014
16,543	13,866	20,988	22,016	17,569	18,184
41,106	34,109	79,177	46,487	62,328	31,484
49,703	46,372	102,700	120,027	84,420	48,197
40,785	37,883	43,018	56,002	42,734	38,265
73,131	60,135	133,858	173,707	97,064	76,942
72,573	54,224	127,489	137,883	46,052	61,932
62.2	65.2	59.4	63.0	55.9	63.8
16.10%	17.65%	21.39%	22.43%	20.31%	23.29%
$ 25,752	$ 19,498	$ 25,794	$ 26,953	$ 20,327	$ 21,021
5.69%	11.08%	10.33%	12.60%	9.09%	15.37%
$ 6,748	$ 10,622	$ 10,931	$ 13,337	$ 7,651	$ 12,212

RETURN ON INVESTMENT - PER $100 OF SALES

	0% TO 11%		11% TO 21%	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 1.28	$ 1.72	$ 2.27	$ 4.40
Receivables	17.28	20.15	15.31	15.64
Inventories	11.33	11.12	7.82	7.10
Ma ke[illegible] e securities	0.14	0.00	2.91	8.72
Other current assets	1.45	3.02	0.48	0.08
	31.48	36.01	28.79	35.94
Plant Investment:				
Land and building	7.33	11.48	5.57	6.72
Machinery and equipment	39.85	50.66	36.34	48.27
Other fixed assets	1.86	0.65	1.12	0.71
	49.04	62.79	43.03	55.70
Non-Current Assets	2.21	0.82	1.23	2.06
TOTAL INVESTMENT	82.73	99.62	73.05	93.70
INVESTMENT TURNOVER PER $100 OF SALES	120.88%	100.38%	136.89%	106.72%
EARNINGS				
Cost of Product	$83.50	$84.61	$84.15	$80.75
Selling Expenses	5.32	3.45	5.10	4.75
Administrative Expenses	5.98	3.97	5.11	5.66
	94.80	92.03	94.36	91.16
Income Before Interest, Other Income, and Taxes	5.20	7.97	5.64	8.84
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	6.29%	8.00%	7.72%	9.43%

21% TO 41%		41% TO 61%		OVER 61%	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 2.21	$ 4.49	$ 3.70	$ 5.13	$ 1.71	$ 1.47
16.28	17.47	15.78	16.75	14.80	14.51
11.94	9.58	6.96	6.43	7.87	6.53
1.45	5.07	1.88	2.63	1.51	3.71
1.30	1.76	0.18	0.18	3.71	8.23
33.18	38.37	28.50	31.12	29.60	34.45
8.67	8.70	7.27	6.83	9.95	6.10
34.39	34.42	42.57	44.02	42.38	44.55
2.12	1.30	0.82	0.48	1.89	0.71
45.18	44.42	50.66	51.33	54.22	51.36
1.55	2.80	1.32	0.88	3.64	2.90
79.91	85.59	80.48	83.33	87.46	88.71
125.14%	116.84%	124.25%	120.00%	114.34%	112.73%
$83.90	$82.35	$78.61	$77.57	$79.69	$76.71
4.88	2.18	4.85	4.68	4.14	3.81
4.66	3.40	5.22	5.77	5.65	4.20
93.44	87.93	88.68	88.02	89.48	84.72
6.56	12.07	11.32	11.98	10.52	15.28
8.21%	14.10%	14.07%	14.38%	12.03%	17.23%

ABSOLUTE DATA

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING** TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL FIRMS	64	$19,285,000	$31,762,000	$2,232,000
TOTAL - PROFIT LEADERS*	21	25,639,000	43,176,000	4,946,000
BY SIZE OF FIRM				
ALL FIRMS				
$1,500,000-$5,000,000	2	2,225,000	4,853,000	3,000
$5,000,000-$10,000,000	11	4,238,000	7,433,000	397,000
$10,000,000-$20,000,000	14	8,430,000	13,863,000	788,000
Over $20,000,000	37	28,789,000	47,221,000	3,444,000
PROFIT LEADERS				
$5,000,000-$10,000,000	3	5,873,000	8,443,000	912,000
$10,000,000-$20,000,000	4	9,422,000	14,159,000	1,725,000
Over $20,000,000	14	34,508,000	58,910,000	6,730,000
BY PRODUCT SPECIALTY				
ALL FIRMS				
Commercial and Advertising	31	13,333,000	23,129,000	1,142,000
Magazine and Periodical	28	26,124,000	41,468,000	3,657,000
PROFIT LEADERS				
Commercial and Advertising	8	13,469,000	21,929,000	2,385,000
Magazine and Periodical	12	35,574,000	60,139,000	6,983,000
BY PERCENTAGE OF PAPER SUPPLIED				
ALL FIRMS				
0% To 11%	21	15,869,000	25,487,000	1,204,000
11% To 21%	9	15,044,000	30,194,000	1,476,000
21% To 41%	7	16,150,000	29,273,000	1,566,000
41% To 61%	7	34,630,000	63,373,000	6,577,000
Over 61%	8	34,515,000	44,800,000	4,472,000
PROFIT LEADERS				
0% To 11%	4	26,777,000	40,138,000	3,607,000
11% To 21%	3	15,061,000	26,574,000	3,123,000
21% To 41%	2	19,012,000	28,714,000	2,897,000
41% To 61%	5	40,384,000	74,927,000	8,547,000
Over 61%	3	38,312,000	58,561,000	8,362,000

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Unlike the ratios shown in this book, these figures are arithmetic averages. See explanatory note on page 43.

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	

HOW DO YOU COMPARE IN NORTH AMERICA?

The Individual Company Computer Printout is a fundamental part of the PIA Financial Ratio Study. It is a detailed, well-organized presentation of key financial information that encompasses every facet of your printing business. It contains data specific to your company that are not available in the published volumes of the study. The Individual Company Computer Printout, designed with you, the busy printing executive in mind, is a concise presentation of:

- Your firm's operating statement;
- Your firm's balance sheet;
- Supporting schedules for your firm's income statement and balance sheet; and
- Your firm's Return on Investment.

In addition:

- Your firm's financial data are expressed in dollars and ratio form;
- The ratios of your printing firm are compared side by side with the ratios of all other ratio study participants and "profit leaders," based on both sales revenue and value added. Ratios of survey participants and "profit leaders" that produce the same products and use the same manufacturing process are also presented for your immediate comparison;
- Using the same presentation format described in the previous item, the ratios of your printing firm are also compared side by side with the ratios of all survey participants and "profit leaders" that are approximately the same size in terms of sales; and
- Finally, "significant facts" statistics are presented to help you gauge where your company stands relative to industry "profit leaders" and the U.S. and Canadian printing industries as a whole.

Because of the detail that the Individual Company Computer Printout contains, it can quickly help you identify those areas and operations of your business that are running efficiently and those that are not. You'll be able to ascertain the seriousness of problems and how much corrective action is necessary. The bottom line is that you can purchase all of these data for a small fraction of what you would have to pay if you generated a similar analysis from scratch.

If you are part of the 1985 database, and have not already done so, I urge you to make the investment. If you are not part of the database, please consider participating in the 1986 PIA Financial Ratio Study and availing yourself of this particular service.

William A. Rose, II
Director, PIA Financial Services